

Indian Creek Water and Homeowners Association – 2023 Annual Meeting

Thursday, March 2, 2023 – 7:00 p.m.

Towanda Community Center

President: Barb Leathers

VP/Secretary: Brittany Huber

Treasurer: Dave Schulthes

Water Chair: Jim Larson

Grounds Chair: Fred Walk – Resigned

Newsletter: Kathy Dumler and Ron Metz

I. Call to Order - Welcome and introduction by Barb Leathers.

II. Minutes of 2022 Annual Meeting - Brittany requested a motion not to read the minutes from the March 2022 Annual Meeting since they have been published on the Indian Creek subdivision website. The motion was made, seconded, and unanimously approved by voice vote.

III. Standing Reports

A. Insurance Report: Barbara Leathers, President

ICHWA carries liability insurance, and Barb discussed our replacement coverage and noted the tractor is covered under this policy.

B. Finance Report: Dave Schulthes, Treasurer

Dave provided a recap of financial results for 2022 and year to date through February 2022:

2022 Financial Review

- The Water Fund ended 2022 with \$221,000.
- The Homeowners Fund (Grounds/Annual Assessment) ended 2022 with \$2,365.

2023 Financial Review through February

- As of the end of February the Water Fund had \$231,000.
- The Homeowners Fund had \$1,000.

Dave also discussed the refurbishing project and the chemical building. He noted the first payment for the chemical shed was made in March bringing the water fund back down to \$220,000. The water fund is expected to have \$163,000 at the end of April after completion of the chemical treatment building. Dave also discussed Indian Creek's IRS application for tax exempt status and its impact on finalizing our loan for the water tower refurbishing.

C. Water Report: Jim Larson, Water Chairperson

Jim provided an update on the water tower refurbishing and chemical treatment building projects. Jim also thanked Brett Lueschen for the great job he does as our water system operator. Brett, performs the monthly flushing, daily water testing, the filing of numerous EPA reports, troubleshooting problems and manages all other aspects of our water system.

Water Tower Refurbishing Project:

A competitive bidding process for our water tower refurbishing project took place in July/August. The Farnsworth Group (our engineering firm) prepared bidding materials and coordinated the process. The bidding process complied with IL EPA Public Water Supply Loan Program requirements including public advertising and a public bid opening. Fifteen companies were also contacted individually to solicit bids. Four bids were received, two were in line our previous cost estimate and two were somewhat higher.

The most competitive bid has been approved by the IL EPA. We have contracted with Maxcor, Incorporated from New Lenox, Illinois. The Farnsworth Group has worked with the company previously and the company has done other projects in our area. The refurbishing work is planned for summer 2023.

ICHWA has been approved for a loan from the IL EPA's Public Water Supply Loan Program to complete our water tower refurbishing project. We have also been approved for a grant which will provide forgiveness for 50% of the loan. The approved loan amount is \$315,112 which includes estimated engineering, construction management and refurbishing costs. The loan is for 20 years at .93% interest.

Late last fall, the Illinois Comptroller's Office informed the IL EPA and ICHWA of a new requirement that all entities approved for loans under this program must register as a federal non-profit 501(c) before they will release the IL EPA approved loan funds. We are currently registered as a section 528 entity at the federal level. We have worked with our attorney do the necessary filings with the IRS.

Update subsequent to the Annual Homeowners Meeting:

As reported by Dave Schulthes, we received approval from the IRS as a tax-exempt organization on March 18, 2023. This should resolve the Comptroller's Office requirement and allow the release of loan funds for our water tower refurbishing project. We are in the process of confirming this with the IL EPA.

Finding a contractor to complete our water tower refurbishing project at a reasonable cost and being approved for the IL EPA loan and grant programs is very good news. We have spent a great deal of time and effort over the last three years to reach this point. A very high volume of engineering, financial, legal and regulatory information has been filed with the IL EPA in order to meet their program requirements. Completion of the water tower refurbishing and chemical treatment building projects will also allow us to further develop plans for future water system needs. Background on the water tower refurbishing and other water system projects is available in the March 2020 Indian Creek Annual Meeting Minutes which can be found on our Indian Creek subdivision website.

Chemical Treatment Building:

We currently have our chlorine treatment process done in the base of the water tower. Our engineering firm has recommended for many years we move this treatment process into a separate building because of the corrosiveness of the chlorine and safety issues. An accident occurred during our last water tower refurbishing (2007) injuring a worker. There were concerns at that time that chlorine treatment in tower contributed to the accident. As a result, our contract to refurbish the water tower this year requires the removal of the chlorine treatment process from the water tower prior to work beginning.

Two years ago, we submitted building plans developed by the Farnsworth Group to the county for approval. The county added many requirements which increased the cost of the building to well over \$100,000. During the past year we have worked with the Farnsworth Group and Catalyst Construction to find a more reasonably priced solution. With a great deal of help from our Indian Creek residents Andy Kaufmann and Brett Lueschen we've been able to find an option using a prefabricated building specifically designed for chemical treatment. The estimated cost of the project is now \$82,000. This project is scheduled for completion in April.

Backup well

In 2021 we received notification from the Illinois EPA that ICHWA has been placed on their "Critical Review List" because we do not have a backup water source. This action was also taken on a number of other water providers. The only requirement at this time the designation imposes is we could not expand our water services (which we have no plans to do) until a backup water source is available. The Farnsworth Group has recommended for many years we consider drilling a backup well. No immediate concerns with the viability of our well have been identified, however, since the well is over 40 years old at some point it will be advisable to drill a backup well near the site of the current well. The ICHWA Board feels this is something we need to plan to do in the next 5-10 years. The Farnsworth Group estimated the cost of a backup well to be \$185,000 three years ago.

Call JULIE (800-892-0123) before digging: Please be sure to call JULIE to mark utility and water lines before doing any projects involving digging. If damage is done to any utility or water lines after marking it is critical you contact the vendor who marks the lines (USIC) and an ICHWA Board member immediately. Additional information is available on our Indian Creek website (Information/Water – "When You Dig").

D. Grounds Report: Fred Walk, Previous Grounds Chairperson & Jim Larson

Brush Pile Usage, Yard Waste Disposal, and Leaf Burning

Please adhere to the following rules regarding the brush pile and yard waste.

- Only bring small branches to the brush pile. Do not bring large limbs or logs.
- Throw brush up onto the pile. Do not spread the brush around near the pile.
- Do not dispose of any type of construction materials.
- Ornamental grasses, bush clippings, dead mums/flowers, and leaves are not acceptable.

If you have a wooded area on your property, please dispose of any brush you may accumulate in your woods.

If burning leaves, please do not let them smolder causing smoke to linger in the air and drift into the homes of your neighbors. Mulching leaves helps to build up the soil in your yard.

Leaves, grasses, and clippings can be disposed of in our common ground area by **SPREADING** them around in the woods away from the trails and mowed areas. Do not dump leaves and grasses on the trails.

Tree Planting Initiative

Fred discussed the tree planting project which he started last year with donations from a number of residents. 200 trees were planted last year with about 75% surviving until the fall. About 200 additional trees were planted in a tree “nursery” in the common area which Fred will be asking for help transplanting this year. There is \$1,800 remaining in funds donated to this project. Fred is considering using this money to purchase and plant some larger trees in our more open common areas.

Trail Restoration/Maintenance

The trails are currently in good shape, but will need to continue to be monitored for trimming and falling trees and limbs.

Honeysuckle Removal

Honeysuckle and other invasive species (multiflora rose) continue to be monitored and removed. At this time the common grounds are pretty clean of these items, but require constant vigilance to keep invasive plants from spreading and overtaking our grounds. Spring and fall workdays are used to keep invasive plants in check.

Spring Workday

Spring workdays are scheduled to maintain trails, remove invasive plants and perform other projects to maintain/improve our grounds. Our grounds chairperson schedules and coordinates spring workdays.

Tractor Maintenance

Fred discussed tractor maintenance and getting the tractor ready for spring. Fred expressed special thanks to Jim Kellenberger and others who have maintained and repaired the tractor over the years.

Indian Creek Website Updates

Tractor Usage and Brush Pile Usage Rules are being added to the Indian Creek website under the “Information” section. Periodically, reminders will be published in the Indian Creek newsletter.

E. Newsletter Report: Kathy Dumler, Ron Metz, Co-Editors

Kathy noted Ron renewed our domain name for 3 more years.

IV. Action Items

- A. Approval of Minutes (Board)
- B. Election of Board Members (Voice Vote)
 - Treasurer (Dave Schulthes)
 - Grounds Chairperson (TBD)

V. Other Items

Jim discussed considering a legal review of ICHWA's 40+ year old covenants later this year. The IC Board has reviewed various sections of the covenants in recent years, particularly in regards to pursuing a loan from the IL EPA for the water tower refurbishing project. We have been required to provide the covenants to the IL EPA and pass various resolutions to meet their loan program requirements. The covenants are not very well organized and not always clear; part of the reason being the subdivision developer and the bank who had a mortgage on the property were in the process of turning responsibilities over to ICHWA when they were written. It also appears the structure and some provisions may be out of date.

This may be a good time to take a closer look at the covenants and determine if it is in our long-term interests to consider updates. We are not planning significant changes to the meaning of the current covenants or adding/deleting meaningful provisions.

If anyone has experience with homeowners' association covenants, a legal background or anyone else interested in participating in reviewing our covenants during the second half of this year please contact any Board member. We would involve our attorney in the review and how to proceed with making changes.

Assessment change approval process:

Jim discussed the methods prescribed in the covenants to approve assessment increases. Annual assessments changes are approved by a vote of Board members at open Board meetings. Water assessments and special assessments appear to require a majority vote by residents before they can be implemented. The latter is a very cumbersome process which requires a 30-day notice before having a Board meeting to pass a resolution recommending an assessment change, ballots distributed and collected back from residents, a Board meeting to count votes and a 30-day period after the vote count to implement a change. Standard practice in homeowners' associations is to only have special assessments (i.e., build a tennis court or pool) require a vote by residents. Maintenance type assessments like our Annual and Water assessments typically only require Board approval at an open Board meeting.

Jim asked for feedback on changing the approval process for Water assessment changes to match the Annual assessment process. The advantages of this change include significantly reducing the burden on Board members in being able to implement water assessment changes and allow the Board to more quickly respond to financial needs while still allowing resident input prior to implementation. This would increase the authority of Board members; however, Board membership is still subject to voting approval by residents and, of course, all Board members are residents and effected in the same way as everyone in Indian Creek. No one at the meeting expressed concerns about considering this change. If anyone has feedback, please contact Jim Larson at JLARZ07@gmail.com.

VI. Open Comments/Questions

- Possibility of changing the tire swing to a regular swing.
- Where are we at on getting fiber optic internet service – Brittany is working with Rocket Net and Metro net. Will provide an update once bids are received.
- A resident brought up for discussion having a fall picnic in the common area. The Board recommended a committee of residents could be formed to determine if there is interest and develop plans.

Adjournment – a motion to adjourn was presented, seconded and unanimously approved.